

**LOUISIANA DEPARTMENT OF INSURANCE**

**STRATEGIC PLAN**

**FISCAL YEARS 2005 THROUGH 2009**

**Commissioner of Insurance – Honorable Robert W. Wooley**

**Deputy Commissioner of Management and Finance – Chad M. Brown**

**Director, Strategic & Operational Planning – Cheri D. Bowman**

**Phone: 225 342-3918**

**E-mail: [cbowman@ldi.state.la.us](mailto:cbowman@ldi.state.la.us)**

## **LOUISIANA DEPARTMENT OF INSURANCE**

### **VISION:**

**Insurance is available at fair, affordable rates through insurers that are financially sound and that operate in compliance with the laws, rules and regulations designed to protect the interests of the citizens of the state.**

### **MISSION:**

**The mission of the Louisiana Department of Insurance is to regulate the insurance industry in the state and to serve as advocate for the state's insurance consumers.**

### **PHILOSOPHY:**

**The philosophy of the Louisiana Department of Insurance is that its responsibilities as the regulator of the insurance industry in the state and advocate for insurance consumers impacts the quality of life of the state's citizens because the availability and affordability of insurance through financially sound insurers is essential to economic development, maintaining existing business and industry and the protection of the lives and property of the state's citizens.**

## **DEPARTMENT GOALS**

- I. Regulate the insurance industry in the state (licensing of producers and insurers; serve as advocate for insurance consumers) by enforcing existing laws fairly and consistently, and propose new laws as needed.**
- II. Provide necessary administrative and operational support to the entire department, and attract insurers to the state in order to promote a more competitive market.**

## **PROCESS DOCUMENTATION**

### **PRINCIPAL USERS/CLIENTS**

**Department-wide:** Insurance consumers (policyholders, beneficiaries, claimants); insurers and producers; the citizens of the state.

**Our responsibilities for insurance regulation and consumer advocacy are ongoing; we strive to improve the quality of our services in those areas. The insurance market in Louisiana in recent years has not been as competitive as it should be. A healthy, competitive market will improve the availability of insurance and, eventually, bring about more reasonable rates. We are aggressively working to attract financially sound, consumer-responsive insurers to do business in Louisiana.**

**Program A – Administration/Fiscal:** All department employees; all contractors working for the department; insurers and producers impacted by department policy and enforcement actions; insurance consumers and the public whose interests are affected by the department's ability to meet its responsibilities to regulate the industry and serve as advocate for insurance consumers.

**Program B – Market Compliance:** Insurance producers and companies regulated by the department; insurance consumers (policyholders, claimants, beneficiaries); the public whose quality of life is affected by economic development, the state's ability to maintain existing business and industry, and the availability and affordability of insurance coverages necessary for the protection of life and property.

## **PROCESS DOCUMENTATION**

### **Overview**

**In preparing its third strategic plan the department has reviewed its first and second strategic plans and evaluated its success in achieving the goals and objectives set forth therein. Two department-wide goals that flow down to program level have been developed. We believe that the goals, objectives and indicators presented in this third strategic plan reflect what we expect to achieve and provide good measures of our progress toward those achievements.**

**Our concentrated efforts to increase the number of quality insurers doing business in the state affect all aspects of the department. We expect our company licensing section to see increased activity as those efforts bear fruit. Changes in the role of the Insurance Rating Commission may also impact certain department activities. Ongoing efforts to serve the consumers whose interests we are charged to protect, and the producers and companies we regulate are tied closely to our ability to keep pace with technological advances. Costs under the state-wide IT plan are higher than presented to this and other agencies, and higher than we believe our costs might have been had we not been forced to participate in that plan.**

**There have been relatively few changes to performance indicators. Some former Key or Supporting indicators have been moved to General status; some General indicators have been moved to footnote status, or have been eliminated. General indicators eliminated from the plan are those that we believe are no longer relevant to the plan, that were poor when created, and/or that provide little or no useful information to the department or to others who review this plan and the operational plans that flow from it.**

**Indicator sets for public affairs and legal services divisions have been dropped as these are purely support activities. Selected indicators from those sets will appear in footnotes or in General Performance Information charts in each operational plan. A few new indicators have been created to better tell our story and measure our success.**

## **PROCESS DOCUMENTATION**

### **Opportunities**

#### **Consumer education**

**Support of NAIC models for national standardization in certain regulatory areas – essentially those that we believe are in concert with the department's vision and in the best interests of Louisiana and its citizens**

**Increased delivery of information and services via Internet**

**Flexibility at upper management levels**

**Education of insurers in submission of compliant applications and filings and forms filings**

**Increase the number of quality insurers doing business in the state to the end that insurance be both more available and more affordable**

**Improved internal use of Information Technology to allow us to work more efficiently and intelligently**

## **Challenges**

**The department strives to be creative and flexible in meeting the challenges that threaten its ability to meet its mandated responsibilities as insurance regulator and consumer advocate.**

**Costs of keeping pace with advances in Information Technology in general and the higher-than-anticipated costs associated with participating in the statewide IT plan/program**

**Legislative mandates**

**Attracting more financially sound, consumer responsive insurers to do business in Louisiana**

**Competition from private industry for experienced, qualified staff**

**Maintaining regulation of the insurance industry by the states as opposed to the assumption of that regulation by the federal government**

**National and worldwide factors that impact the overall insurance market (availability and pricing), natural disasters, catastrophes, civil unrest**

**Unrealistic expectations of the public and or government with regard to insurance pricing and scope of coverage provided**

**Civil Service position descriptions that do not “fit” department functions or activities and salary structures that do not adequately reward outstanding employees or allow the department to terminate incompetent employees**

**Costs of maintaining our physical plant – new Poydras Building, including high costs for DPS personnel, security, utilities, etc.**

**Dependence of year-to-year funding on the premiums written, legislated credits to insurers that may decrease assessment collections based on those premiums, appropriation by the legislature**

**Assessment collected by the department also supports several retirement and pension funds and the municipal fire and police civil service; each time a portion increase is legislated for one or more of those**



entities our share of that assessment is decreased by that amount. Various legislated credits apply to our portion of the assessment, but not to the portions of other entities receiving funding from it.

## **PROGRAM A – ADMINISTRATION/FISCAL**

### **STATUTORY AUTHORITY**

**Louisiana Constitution of 1974, Article IV, Section II; Title 36, Chapter 17 of the Louisiana Revised Statutes; Title 22 of the Louisiana Revised Statutes; Act 83 of 1977 (Reorganization Act); Act 477 of 1992 (Reorganization Act); Act 850 of 1984 (Equal Opportunity in Insurance); Act 517 of 1992 (Operations of the Louisiana Insurance Guaranty Association with the Department of Insurance); Act 1312 of 1999 (Insurance Fraud Assessment)**

### **OPPORTUNITIES AND CHALLENGES**

**Opportunities and challenges cited for the entire department are the opportunities and challenges of Program A – Administration/Fiscal**

### **MISSION**

**The mission of Program A is to provide necessary administrative and operational support to all areas of the department, and to attract insurers to do business in the state.**

### **GOALS**

**The goal for Program A is the same as the department-wide goal:**

**GOAL II. Provide necessary administrative and operational support to the entire department, and attract insurers to the state in order to promote a more competitive market.**

**OFFICES AND ACTIVITIES**  
**LRS 36:684**

**Office of the Commissioner – Internal Audit, Minority Affairs (LRS36:687), Public Affairs (LRS:36:690 – no indicator set)**

**Management and Finance (LRS 36:684) – Fiscal Affairs, Information Technology, Assessments and Data Management (no indicator set), Human Resources (no indicator set), Administrative Services (no indicator set)**

**PROGRAM A – ADMINISTRATION/FISCAL  
PERFORMANCE INDICATORS**



**04-165 DEPARTMENT OF INSURANCE/COMMISSIONER OF INSURANCE  
PROGRAM A – ADMINISTRATION/FISCAL  
OFFICE OF THE COMMISSIONER**

**GOAL II Provide necessary administrative and operational support to the entire department, and attract insurers to the state in order to promote a more competitive market.**

**OBJECTIVE II.1 KEY - Through the Office of the Commissioner, to retain accreditation by the National Association of Insurance Commissioners (NAIC).**

Louisiana Vision 2020 Link: Objective I.8 To improve the efficiency and accountability of government agencies

Children's Budget Link: N/A

Human Resources Policies Beneficial to Women and Children: N/A

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, Others ) – N/A

**Strategic Objectives:**

- II.1.1 Maintain aggressive approach to financial examination and analysis of domestic insurance companies**
- II.1.2 Work with the NAIC and other states to develop nationwide standards for insurance regulation and sharing of information among the states**
- II.1.3 Work with all areas of the department, the legislature, other state agencies and private interests to increase the number of financially sound, consumer responsive insurers doing business in the state**

**Performance Indicators:**

**6389 KEY Percentage of accreditation by NAIC retained**

**Explanatory Note: LAPAS will only accept numeric expression; therefore this indicator value is expressed as a percentage. The NAIC reviews our policies and procedures periodically and determines whether to continue or revoke our accreditation. Our accreditation remains in effect unless revoked. Continued accreditation is confirmation that we are in compliance with the standards set by the national organization that promotes effective insurance regulation and protection of consumers. The most recent review of DOI by NAIC occurred in 2003.**

**04-165 DEPARTMENT OF INSURANCE/COMMISSIONER OF INSURANCE  
PROGRAM A – ADMINISTRATION/FISCAL  
OFFICE OF THE COMMISSIONER continued**

<b>912</b>	<b>GENERAL</b>	<b>Number of licensed domestic insurance companies</b>
<b>913</b>	<b>GENERAL</b>	<b>Number of licensed foreign/alien insurance companies</b>
<b>914</b>	<b>GENERAL</b>	<b>Number of surplus lines companies approved and monitored</b>
<b>911</b>	<b>GENERAL</b>	<b>Total number of companies licensed and approved</b>

**Explanatory Notes:**      **The General Performance Information above previously appeared with the indicator set for Company Licensing division within the Office of Licensing and Compliance. Because of the department's focus on bringing new insurers to the state and encouraging existing insurers to expand the coverages they offer here, we are placing these indicators with the set for the overall department, under the Office of the Commissioner.**

**04-165 DEPARTMENT OF INSURANCE/COMMISSIONER OF INSURANCE  
PROGRAM A – ADMINISTRATION/FISCAL  
OFFICE OF THE COMMISSIONER  
INTERNAL AUDIT DIVISION**

**GOAL II. Provide necessary administrative and operational support to the entire department, and attract insurers to the state in order to promote a more competitive market.**

**OBJECTIVE II.2 SUPPORTING - Through the Internal Audit Division, to identify the adequacy or weaknesses of the department's internal control processes by performing scheduled internal audits to assure that there are no repeat findings in the annual legislative auditor's report.**

Louisiana Vision 2020 Link: Objective I.8 To improve the efficiency and accountability of government agencies

Children's Budget Link: N/A

Human Resources Policies Beneficial to Women and Children: N/A

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, Others ) – N/A

**Strategic Objectives:**

**II.2.1 Risk assessment/audit schedule, including time limits for each scheduled audit for the fiscal year is completed and approved by the agency head or his/her designee prior to the start of the fiscal year.**

**Performance Indicators:**

6395	SUPPORTING	Number of repeat findings in the legislative auditor's annual report
887	SUPPORTING	Number of repeat internal audit findings
13786	GENERAL	Number of internal audits scheduled
6393	GENERAL	Number of internal audits performed
6394	GENERAL	Percentage of internal audit recommendations accepted



**04-165 DEPARTMENT OF INSURANCE/COMMISSIONER OF INSURANCE  
PROGRAM A – ADMINISTRATION/FISCAL  
OFFICE OF MANAGEMENT AND FINANCE  
FISCAL AFFAIRS DIVISION**

**GOAL II Provide necessary administrative and operational support to the entire department, and attract insurers to the state in order to promote a more competitive market.**

**OBJECTIVE II.3 SUPPORTING - Through the Fiscal Affairs Division, to collect, each fiscal year, revenue that the department is responsible to collect on its own behalf and on behalf of the state.**

Louisiana Vision 2020 Link: Objective I.8 To improve the efficiency and accountability of government agencies

Children's Budget Link: N/A

Human Resources Policies Beneficial to Women and Children: N/A

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, Others ) – N/A

**Strategic Objectives:**

- II.3.1      Assessment invoices are mailed no later than thirty days prior to the due date of the assessment payment**
- II.3.2      The section within DOI that is responsible for revenue outstanding and delinquent is notified so that any available recourse for collection can be taken (revocation, suspension of license, cease and desist order, etc.)**

**Performance Indicators:**

**13787      SUPPORTING      Percentage of revenue classified within 72 hours of its deposit to state treasury**

**04-165 DEPARTMENT OF INSURANCE/COMMISSIONER OF INSURANCE  
PROGRAM A – ADMINISTRATION/FISCAL  
FISCAL AFFAIRS DIVISION continued**

<b>898</b>	<b>GENERAL</b>	<b>Number of different tax types collected</b>
<b>891</b>	<b>GENERAL</b>	<b>Number of different fees and assessments collected</b>
<b>892</b>	<b>GENERAL</b>	<b>Taxable premiums in \$billions</b>
<b>893</b>	<b>GENERAL</b>	<b>Tax collections as a percentage of taxable premiums</b>
<b>894</b>	<b>GENERAL</b>	<b>Total premiums subject to Louisiana Insurance Rating Commission (LIRC) assessment in \$billions</b>
<b>895</b>	<b>GENERAL</b>	<b>Total amount of LIRC assessment collected in \$millions</b>
<b>896</b>	<b>GENERAL</b>	<b>LIRC assessment as percentage of subject premiums</b>
<b>6397</b>	<b>GENERAL</b>	<b>Total fees collected in \$millions</b>
<b>890</b>	<b>GENERAL</b>	<b>Total amount of revenue collected from taxes, assessments, fees, penalties and miscellaneous in \$millions</b>

**04-165 DEPARTMENT OF INSURANCE/COMMISSIONER OF INSURANCE  
PROGRAM A – ADMINISTRATION/FISCAL  
OFFICE OF MANAGEMENT AND FINANCE  
INFORMATION TECHNOLOGY DIVISION**

**GOAL II. Provide necessary administrative and operational support to the all divisions so that those responsible for regulatory and consumer advocacy functions can maximize the effectiveness of the department’s fiscal, human, IT, and other resources.**

**OBJECTIVE II.4 SUPPORTING - Through the Information Technology Division, to provide maintenance and support of the department’s various databases, internet access and other IT systems, and to continue progress on three ongoing initiatives to improve consumer and industry service and information access via the internet.**

Louisiana Vision 2020 Link: Objective I.8 To improve the efficiency and accountability of government agencies

Children’s Budget Link: N/A

Human Resources Policies Beneficial to Women and Children: N/A

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, Others ) – N/A

**Strategic Objectives:**

**II.4.1 Increase the scope of services and information available through the DOI website**

**11.4.2 Maintain and support, and update or expand as necessary the department’s various databases and systems**

**Performance Indicators:**

**13789 SUPPORTING Percentage completion of online access to producer licensing renewal**

**13790 SUPPORTING Percentage completing of online access to consumer complaint filing**

**NEW SUPPORTING Percentage completion of online access to forms review/approval matrix and related conversion**

**Explanatory Note: The indicators shown above may change over the term of this strategic plan as initiatives/projects are completed and begun.**

**6399 GENERAL Number of service request forms received**

**04-165 DEPARTMENT OF INSURANCE/COMMISSIONER OF INSURANCE  
PROGRAM A – ADMINISTRATION/FISCAL  
OFFICE OF MANAGEMENT AND FINANCE  
PROGRAM B – MARKET COMPLIANCE  
INFORMATION TECHNOLOGY DIVISION continued**

**10148      GENERAL              Percentage of service requests satisfactorily fulfilled within 2 business days**

**04-165 DEPARTMENT OF INSURANCE/COMMISSIONER OF INSURANCE  
PROGRAM A – ADMINISTRATION/FISCAL  
OFFICE MINORITY AFFAIRS**

**GOAL II. Provide necessary administrative and operational support to the all divisions so that those responsible for regulatory and consumer advocacy functions can maximize the effectiveness of the department's fiscal, human, IT, and other resources.**

**OBJECTIVE II.5 SUPPORTING - Through the Office of Minority Affairs, to assist minorities and other disadvantaged persons who wish to participate in the insurance industry in the state as producers or as employees of insurers or related service companies.**

Louisiana Vision 2020 Link: Objective I.8 To improve the efficiency and accountability of government agencies

Children's Budget Link: N/A

Human Resources Policies Beneficial to Women and Children: N/A

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, Others ) – N/A

**Strategic Objectives:**

- II.5.1 Make available via the internet, by mail, etc., and through training/educational seminars, information to assist minority and disadvantaged persons wish to obtain employment in the insurance industry or related service companies**
- II.5.2 Conduct a survey every other year to determine minority/disadvantaged persons employed as professionals or para-professionals with insurers doing business in the state.**

**Performance Indicators:**

**10161 SUPPORTING Number of standard companies to which minority/disadvantaged producers have access.**

**13793 SUPPORTING Number of persons attending semi-annual educational/training seminars**

**Explanatory Note: A standard company is an insurer that rates a risk up or down from standard rates, depending upon various factors, and uses standard terms and conditions in its policies. It has been difficult for minority producers to obtain the contract or company appointment that would allow them to sell the standard insurers' products to their clients. We continue with informal counseling and educational/training across the state, as well as with college outreach.**

## **PROGRAM B – MARKET COMPLIANCE**

### **STATUTORY AUTHORITY**

**Louisiana Constitution of 1974, Article IV, Section II Title 36, Chapter 17 of the Louisiana Revised Statutes; Title 22 of the Louisiana Revised Statutes; Act 83 of 1977 (Reorganization Act); Act 477 of 1992 (Reorganization Act); Act 850 of 1984 (Equal Opportunity in Insurance); Act 517 of 1992 (Operations of the Louisiana Insurance Guaranty Association with the Department of Insurance); Act 1312 of 1999 (Insurance Fraud Assessment); Act 293 of 2003 (Insurance Fraud); Act 158 of 2000 (Producer Licensing); Act 351 of 2003 (Flexible Rating).**

### **OPPORTUNITIES AND CHALLENGES**

**Opportunities and challenges cited for the entire department are the opportunities and challenges of Program B – Market Compliance**

### **MISSION**

**The mission of Program B is to regulate the insurance industry in the state and to serve as advocate for insurance consumers.**

### **GOALS**

**The goal for Program B is the same as the department-wide goal:**

**GOAL II. Provide necessary administrative and operational support to the entire department, and attract insurers to the state in order to promote a more competitive market.**

**OFFICES AND ACTIVITIES**  
**LRS 36:684**

**Office of the Licensing and Compliance – initial and renewal licensing to insurance producers; licensing of insurers; insurance fraud investigation and prevention; legal support services; Life & Annuity forms review/approval; consumer complaint investigation**

**Office of Financial Solvency – Financial examinations and analyses of domestic insurers; market conduct examinations; examination of surplus lines brokers; collection of insurance premium and surplus lines taxes on behalf of the State General Fund**

**Office of Property & Casualty – Consumer complaint investigations and contract/policy forms review; activities related to insurance rating; support activities for insurance rating commission**

**Office of Health Insurance – Consumer complaint investigations and contract/policy forms review; Senior Health Insurance Information Program (SHIIP); licensing of MNROs (Medical Necessity Review Organizations).**

**Office of Receivership – Management of the assets of companies in receivership; liquidation of the assets of companies in receivership through final, court-approved closure.**

**PROGRAM B – MARKET COMPLIANCE  
PERFORMANCE INDICATORS**





**04-165 DEPARTMENT OF INSURANCE/COMMISSIONER OF INSURANCE  
PROGRAM B – MARKET COMPLIANCE  
OFFICE OF LICENSING AND COMPLIANCE**

**GOAL I   Regulate the insurance industry in the state (licensing of producers and insurers; serve as advocate for insurance consumers) by enforcing existing laws fairly and consistently, and propose new laws as needed**

**OBJECTIVE I.1 KEY - Through the Office of Licensing and Compliance to oversee the licensing of producers in the stand and to work with the Information Technology division to effect a smooth transition to the e-commerce environment.**

Louisiana Vision 2020 Link: Objective I.8 To improve the efficiency and accountability of government agencies

Children’s Budget Link: N/A

Human Resources Policies Beneficial to Women and Children: N/A

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, Others ) – N/A

**Strategic Objectives:**

- I.1.1       Work with IT division to increase access to department services and information via internet/website**
- I.1.2       Work with NAIC to develop nationwide standards for insurance regulation and consumer protection, and propose legislation as necessary to support those standards**

**Performance Indicators**

<b>6416</b>	<b>KEY</b>	<b>Number of new producer licenses issued</b>
<b>6417</b>	<b>KEY</b>	<b>Number of producer license renewals processed</b>
<b>934</b>	<b>KEY</b>	<b>Number of company appointments processed</b>
<b>933</b>	<b>GENERAL</b>	<b>Total number of licensed producers</b>
<b>935</b>	<b>GENERAL</b>	<b>Number of producer license examinations administered</b>
<b>6418</b>	<b>GENERAL</b>	<b>Number of continuing education courses reviewed</b>
<b>NEW</b>	<b>GENERAL</b>	<b>Number of continuing education courses approved</b>
<b>NEW</b>	<b>GENERAL</b>	<b>Number of continuing education courses not approved</b>

**PROGRAM B – MARKET COMPLIANCE**  
**PRODUCER LICENSING continued**

**Explanatory Note:** A company appointment is the contract between the producer and the insurance company that allows the producer to offer the company's products to his/her clients. Licenses are issued to Property & Casualty producers in one year, to Life and Health producers in alternating years.

**04-165 DEPARTMENT OF INSURANCE/COMMISSIONER OF INSURANCE  
PROGRAM B – MARKET COMPLIANCE  
OFFICE OF LICENSING AND COMPLIANCE**

**GOAL I   Regulate the insurance industry in the state (licensing of producers and insurers; serve as advocate for insurance consumers) by enforcing existing laws fairly and consistently, and propose new laws as needed**

**OBJECTIVE I.2 KEY - Through the Company Licensing division of the Office of Licensing and Compliance, to review company applications and filings within an average of 45 days.**

Louisiana Vision 2020 Link: Objective I.8 To improve the efficiency and accountability of government agencies

Children’s Budget Link: N/A

Human Resources Policies Beneficial to Women and Children: N/A

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, Others ) – N/A

**Strategic Objectives:**

**I.2.1       Develop instructions for insurers to follow in preparing filings and applications for submission to the department and return to insurers those filings that do not comply with the instructions**

**Performance Indicators:**

<b>11942</b>	<b>KEY</b>	<b>Percentage of company filings and applications processed during the fiscal year in which they are received</b>
<b>6420</b>	<b>KEY</b>	<b>Average number of days to review company filings and applications</b>
<b>940</b>	<b>GENERAL</b>	<b>Number of company licensing applications and filings received</b>
<b>941</b>	<b>GENERAL</b>	<b>Number of company licensing applications and filings processed</b>
<b>942</b>	<b>GENERAL</b>	<b>Number of company licensing applications and filings approved</b>
<b>943</b>	<b>GENERAL</b>	<b>Number of company licensing applications and filings disapproved</b>
<b>944</b>	<b>GENERAL</b>	<b>Number of company licensing applications and filings withdrawn</b>

**04-165 DEPARTMENT OF INSURANCE/COMMISSIONER OF INSURANCE  
PROGRAM B – MARKET COMPLIANCE  
CONSUMER AFFAIRS**

**GOAL I** Regulate the insurance industry in the state (licensing of producers and insurers; serve as advocate for insurance consumers) by enforcing existing laws fairly and consistently, and propose new laws as needed

**OBJECTIVE I.3 KEY -** Through the Consumer Affairs division, to assist consumers by investigating to conclusion consumer complaints against Life and Annuity insurers and producers.

Louisiana Vision 2020 Link: Objective I.8 To improve the efficiency and accountability of government agencies

Children’s Budget Link: N/A

Human Resources Policies Beneficial to Women and Children: N/A

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, Others ) – N/A

**Strategic Objectives:**

**I.3.1** Increase the depth of experience and knowledge among personnel through increased training and monitoring of newer examiners by more experienced examiners

**Performance Indicators:**

**13958 KEY** Average number of days to investigate to conclusion an L&A complaint

**13959 KEY** Among of claim payments/premium refunds recovered for complainants

**13960 GENERAL** Number of L&A complaints received

**13961 GENERAL** Number of L&A complaint investigations concluded

**Explanatory Notes:** A consumer complaint may or may not result in a claim payment or premium refund from the insurer or producer, depending on the facts of the matter giving rise to the complaint. Complaints are investigated to determine whether the insurer or producer performed in compliance with the law and the terms and conditions of the policy. A consumer may expect payment for an item not covered by the policy or may not be happy with the way the claim was handled, but the company or producer may have acted properly and within the law.

**04-165 DEPARTMENT OF INSURANCE/COMMISSIONER OF INSURANCE  
PROGRAM B – MARKET COMPLIANCE  
FORMS REVIEW AND APPROVAL**

**GOAL I** Regulate the insurance industry in the state (licensing of producers and insurers; serve as advocate for insurance consumers) by enforcing existing laws fairly and consistently, and propose new laws as needed

**OBJECTIVE I.4 KEY -** Through the Life and Annuity, policy forms review division in the Office of Licensing and Compliance, to pre-approve/disapprove all contract/policy forms within an average of 30 days.

Louisiana Vision 2020 Link: Objective I.8 To improve the efficiency and accountability of government agencies

Children’s Budget Link: N/A

Human Resources Policies Beneficial to Women and Children: N/A

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, Others ) – N/A

**Strategic Objectives:**

**I.4.1** Increase the expertise and knowledge among personnel through increased training and monitoring of newer examiners by more experienced examiners.

**Performance Indicators:**

<b>13988</b>	<b>KEY</b>	<b>Average number of days to process L&amp;A contract/policy forms</b>
<b>13897</b>	<b>KEY</b>	<b>Percentage of L&amp;A contract/policy forms approved</b>
<b>13990</b>	<b>GENERAL</b>	<b>Number of L&amp;A contract/policy forms received</b>
<b>13991</b>	<b>GENERAL</b>	<b>Number of L&amp;A contract/policy forms processed</b>
<b>NEW</b>	<b>GENERAL</b>	<b>Number of L&amp;A contract/policy forms disapproved</b>
<b>NEW</b>	<b>GENERAL</b>	<b>Number of L&amp;A contract/policy forms withdrawn</b>

**Explanatory Notes:** All contract/policy forms must be reviewed and approved by DOI before they can be offered for sale in the state. Delays in the process can result in the state’s consumers not having access to those products and to insurers being able to sell those products. Good efficiency in this

**PROGRAM B – MARKET COMPLIANCE**  
**FORMS REVIEW AND APPROVAL continued**

area is strong support for the department's overall effort to attract insurers to the state. New laws, rules and regulations, as well as the policy form matrix and better-trained personnel have all contributed to improvements in this area.

**04-165 DEPARTMENT OF INSURANCE/COMMISSIONER OF INSURANCE  
PROGRAM B – MARKET COMPLIANCE  
FRAUD DIVISION**

**GOAL I** regulate the insurance industry in the state (licensing of producers and insurers; serve as advocate for insurance consumers) by enforcing existing laws fairly and consistently, and propose new laws as needed

**OBJECTIVE I.5 KEY** - Through the Fraud Division, to reduce incidences of insurance fraud in the state.

Louisiana Vision 2020 Link: Objective I.8 To improve the efficiency and accountability of government agencies

Children's Budget Link: N/A

Human Resources Policies Beneficial to Women and Children: N/A

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, Others ) – N/A

**Strategic Objectives:**

**I.5.1** Work with producer and company licensing division to educate insurance and producer license applicants in the proper submission of complete applications

**I.5.2** Increase the depth of knowledge among personnel through increased training and monitoring of less experienced examiners by more experienced examiners

**Performance Indicators:**

<b>12276</b>	<b>KEY</b>	<b>Percentage of initial claim fraud complaint investigations completed within 10 working days</b>
<b>12278</b>	<b>KEY</b>	<b>Percentage of background checks completed within 15 working days</b>
<b>12282</b>	<b>GENERAL</b>	<b>Number of claim fraud investigations opened</b>
<b>NEW</b>	<b>GENERAL</b>	<b>Number of claim fraud investigations referred to law-enforcement agencies</b>
<b>12279</b>	<b>GENERAL</b>	<b>Number of producer/company investigations opened</b>
<b>12281</b>	<b>GENERAL</b>	<b>Number of producer/company investigations referred to law enforcement</b>
<b>NEW</b>	<b>GENERAL</b>	<b>Number of background checks performed on behalf of company and producer licensing divisions</b>



**PROGRAM B – MARKET COMPLIANCE**  
**FRAUD DIVISION continued**

**Explanatory Notes:** An initial investigation means a complaint is investigated to determine whether a full investigation should be initiated, or if the report should be entered into the database and maintained for possible additional investigation at a later date. Most delays in completion of background checks are the result of insurers or producers not fully completing applications and filings; the fraud division and producer and company licensing divisions are working to educate insurers and producers in this area.

**04-165 DEPARTMENT OF INSURANCE/COMMISSIONER OF INSURANCE  
PROGRAM B – MARKET COMPLIANCE  
OFFICE OF FINANCIAL SOLVENCY**

**GOAL I   Regulate the insurance industry in the state (licensing of producers and insurers; serve as advocate for insurance consumers) by enforcing existing laws fairly and consistently, and propose new laws as needed**

**OBJECTIVE I.6 KEY - Through the Office of Financial Solvency, to monitor the financial soundness of regulated entities by performing examinations (according to statutorily mandated schedules) and financial analyses each year.**

Louisiana Vision 2020 Link: Objective I.8 To improve the efficiency and accountability of government agencies

Children’s Budget Link: N/A

Human Resources Policies Beneficial to Women and Children: N/A

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, Others) – N/A

**Strategic Objectives:**

**I.6.1       Monitor regulated entities to detect all adverse financial and other conditions, take remedial steps as necessary, and maintain compliance with NAIC standards for financial and market conduct examinations.**

**Performance Indicators:**

<b>6411</b>	<b>KEY</b>	<b>Number of market conduct examinations performed</b>
<b>11937</b>	<b>KEY</b>	<b>Number of market conduct examinations performed as a result of complaints</b>
<b>11938</b>	<b>KEY</b>	<b>Percentage of domestic companies examined – financial</b>
<b>11939</b>	<b>KEY</b>	<b>Percentage of domestic companies analyzed – financial</b>
<b>11940</b>	<b>KEY</b>	<b>Percentage of companies other than domestic companies analyzed – financial</b>
<b>11390</b>	<b>SUPPORTING</b>	<b>Number of zone examinations in which participating states file dissenting (minority) reports</b>

**PROGRAM B – MARKET COMPLIANCE**  
**OFFICE OF FINANCIAL SOLVENCY continued**

6410	GENERAL	Number of companies examined – financial
6411	GENERAL	Number of companies examined – market conduct
612	GENERAL	Number of companies analyzed – financial
13768	GENERAL	Number of companies in administrative supervision at beginning of fiscal year
921	GENERAL	Number of companies placed in administrative supervision during fiscal year
922	GENEARL	Number of companies returned to good health/removed from administrative supervision during fiscal year
923	GENERAL	Average number of months a company remains in administrative supervision

**Explanatory Notes:** The department instituted an aggressive program of financial examinations and analyses in response to the company failures that occurred in the 1980s. A field examination takes place on-site. Analysis occurs in the department, using various filings, results of previous and current examinations, complaints and other data to determine whether a company might merit an examination earlier than its scheduled date. A score is developed for each company that will determine its position on the examination schedule. Statutory requirements are that most licensed entities be examined no less frequently than once every five years. We are currently in a posture that allows us to examine earlier as necessary. This allows for earlier detection of problems and earlier remediation or other action. A change in the law allowing insurers to maintain records outside of the state has increased our examination costs significantly, requiring more travel in order to meet this statutory mandate. A market conduct examination determines whether the entity is performing in compliance with applicable laws, rules and regulations, and may be conducted in concert with a financial examination or without connection to a financial examination. Complaints may trigger a market conduct examination. A zone examination is an examination involving other states in which a company does business; these exams are fairly rare when the examination and analysis program is working well, which it has for several years.

**04-165 DEPARTMENT OF INSURANCE/COMMISSIONER OF INSURANCE  
PROGRAM B – MARKET COMPLIANCE  
OFFICE OF FINANCIAL SOLVENCY  
INSURANCE PREMIUM AND SURPLUS LINES TAX DIVISION**

**GOAL I** Regulate the insurance industry in the state (licensing of producers and insurers; serve as advocate for insurance consumers) by enforcing existing laws fairly and consistently, and propose new laws as needed

**OBJECTIVE I.7 KEY** - Through the Insurance Premium Tax and Surplus Lines Tax Division of the Office of Financial Solvency, to initiate collection procedures on all insurance premium taxes and related fines and penalties owed the state for that fiscal year.

Louisiana Vision 2020 Link: Objective I.8 To improve the efficiency and accountability of government agencies

Children's Budget Link: N/A

Human Resources Policies Beneficial to Women and Children: N/A

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, Others) – N/A

**Strategic Objectives:**

**I.7.1** Continue to perform field audits of selected surplus lines brokers and desk examinations of all premium tax returns.

**Performance Indicators:**

<b>889</b>	<b>KEY</b>	<b>Additional taxes and penalties assessed as a result of audit (in \$millions)</b>
<b>6396</b>	<b>KEY</b>	<b>Percentage of surplus lines brokers examined</b>
<b>900</b>	<b>SUPPORTING</b>	<b>Number of field examinations of surplus lines brokers performed</b>
<b>901</b>	<b>SUPPORTING</b>	<b>Number of desk examinations performed for tax purposes</b>

**Explanatory Notes:** A surplus lines broker is a person who solicits, negotiates or procures a policy of insurance with an approved, unauthorized insurer, known as a surplus lines company, when insurance cannot be obtained from insurers licensed to do business in the state.

**PROGRAM B – MARKET COMPLIANCE**  
**INSURANCE PREMIUM & SURPLUS LINES TAXE DIVISION continued**

**All premium tax returns undergo desk audits. A change in the law has resulted in a significant increase in the number of surplus lines brokers licensed in the state; we expect to perform more examinations than in previous years, but owing to the increase in the number of licensed brokers, the percentage may be lower.**



**04-165 DEPARTMENT OF INSURANCE/COMMISSIONER OF INSURANCE  
PROGRAM B – MARKET COMPLIANCE  
OFFICE OF PROPERTY & CASUALTY  
CONSUMER AFFAIRS**

**GOAL I   Regulate the insurance industry in the state (licensing of producers and insurers; serve as advocate for insurance consumers) by enforcing existing laws fairly and consistently, and propose new laws as needed**

**OBJECTIVE I.8   KEY - Through the Consumer Affairs division of the Office of Property & Casualty, to investigate to conclusion consumer complaints against Property & Casualty insurers and producers.**

Louisiana Vision 2020 Link: Objective I.8 To improve the efficiency and accountability of government agencies

Children’s Budget Link: N/A

Human Resources Policies Beneficial to Women and Children: N/A

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, Others) – N/A

**Strategic Objectives:**

**I.8.1           Increase the depth of knowledge among personnel through increased training and monitoring of newer examiners by more experienced examiners.**

**Performance Indicators:**

<b>10204</b>	<b>KEY</b>	<b>Number of days to conclude a P&amp;C complaint investigation</b>
<b>964</b>	<b>KEY</b>	<b>Amount of claim payments and/or premium refunds recovered for complainants</b>
<b>14211</b>	<b>GENERAL</b>	<b>Number of P&amp;C complaints received</b>
<b>14212</b>	<b>GENERAL</b>	<b>Number of P&amp;C complaint investigations concluded</b>

**Explanatory Notes:**           **A consumer complaint may or may not result in a claim payment or premium refund from the insurer or producer, depending on the facts of the matter giving rise to the complaint. Complaints are investigated to determine whether the insurer or producer performed in compliance with the law and the terms and conditions of the policy. A consumer may expect payment for an item not covered by the policy or may not be happy with the way the claim was handled, but the company or producer may have acted properly and within the law.**

**04-165 DEPARTMENT OF INSURANCE/COMMISSIONER OF INSURANCE  
PROGRAM B – MARKET COMPLIANCE  
OFFICE OF PROPERTY & CASUALTY  
FORMS REVIEW/APPROVAL**

**GOAL I** Regulate the insurance industry in the state (licensing of producers and insurers; serve as advocate for insurance consumers) by enforcing existing laws fairly and consistently, and propose new laws as needed

**OBJECTIVE I.9 KEY -** Through the Forms Review division within the Office of Property & Casualty, to pre-approve or disapprove all contract forms for use by consumers

Louisiana Vision 2020 Link: Objective I.8 To improve the efficiency and accountability of government agencies

Children’s Budget Link: N/A

Human Resources Policies Beneficial to Women and Children: N/A

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, Others) – N/A

**Strategic Objectives:**

**I.9.1** Increase the expertise and knowledge among personnel through increased training and monitoring of newer examiners by more experienced examiners.

**Performance Indicators:**

**13939 KEY** Average number of days to process P&C contract/policy forms

**13940 KEY** Percentage of P&C contract/policy forms approved

**13942 GENERAL** Number of P&C contract/policy forms received

**13943 GENERAL** Number of P&C contract/policy forms processed

**13940 GENERAL** Number of P&C contract/policy forms approved

**NEW GENERAL** Number of P&C contract/policy forms disapproved

**NEW GENERAL** Number of P&C contract/policy forms withdrawn

**Explanatory Notes:** All contract/policy forms must be reviewed and approved by DOI before they can be offered for sale in the state. Delays in the process can result in the state’s consumers not having access to those products and to insurers being able to sell those products. Good efficiency in this area is strong support for the department’s overall effort to attract insurers to the state. New laws, rules and regulations, as well as the policy form matrix and better-trained personnel have all contributed to improvements in this area.



**04-165 DEPARTMENT OF INSURANCE/COMMISSIONER OF INSURANCE  
PROGRAM B – MARKET COMPLIANCE  
OFFICE OF PROPERTY & CASUALTY  
RATE AND RULE DIVISION**

**GOAL I** Regulate the insurance industry in the state (licensing of producers and insurers; serve as advocate for insurance consumers) by enforcing existing laws fairly and consistently, and propose new laws as needed

**OBJECTIVE I.10 SUPPORTING** - Through the Rate and Rule division of the Office of Property & Casualty, to provide necessary preparatory activities for rate and rule change submissions that require action by the LIRC (Louisiana Insurance Rating Commission) and/or by the department (under file and use rate filings do not require action/approval by LIRC, but the department performs actuarial and other review on these items).

Louisiana Vision 2020 Link: Objective I.8 To improve the efficiency and accountability of government agencies

Children's Budget Link: N/A

Human Resources Policies Beneficial to Women and Children: N/A

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, Others) – N/A

**Strategic Objectives:**

**I.10.1** Develop and distribute instructions for industry to follow in preparing rate/rule filings for submission.

**I.10.2** Increase the use of automated tracking for rate/rule filings to determine turn-around times whether acted upon by LIRC or by the department

**Performance Indicators:**

<b>13945</b>	<b>SUPPORTING</b>	<b>Average number of days from receipt of filing/submission by OP&amp;C to placement on rating commission agenda or referral to actuary</b>
--------------	-------------------	---

**PROGRAM B – MARKET COMPLIANCE  
RATE AND RULE DIVISION continued**

<b>13949</b>	<b>SUPPORTING</b>	<b>Average number of days from receipt of filing/submission by actuary from OPAC support staff to actuary's recommendation</b>
<b>NEW</b>	<b>SUPPORTING</b>	<b>Average number of days from receipt of rate filing/submission to completion of review by DOI</b>
<b>974</b>	<b>GENERAL</b>	<b>Total written premiums (property, casualty, surety and inland marine) subject to regulation by DOI/LIRC in \$billions</b>
<b>971</b>	<b>GENERAL</b>	<b>Number of submissions reviewed by actuary</b>
<b>967</b>	<b>GENERAL</b>	<b>Number of rate/rule change submissions acted upon by LIRC</b>
<b>968</b>	<b>GENERAL</b>	<b>Number of rate/rule change submissions approved</b>
<b>969</b>	<b>GENERAL</b>	<b>Number of rate/rule change submissions approved at lesser amount than requested</b>
<b>970</b>	<b>GENERAL</b>	<b>Number of rate/rule change submissions not approved (disapproved) by LIRC</b>
<b>972</b>	<b>GENERAL</b>	<b>Number of average percentage change in rates approved by LIRC</b>
<b>13957</b>	<b>GENERAL</b>	<b>Number of rate/rule change submissions received</b>

**Explanatory Notes:** Changes in the laws governing insurance rate/rule approval over the last few years have led to flexible rating and use and file. The LIRC no longer acts upon all rate/rule changes in the state. All changes are reviewed by the department's actuarial staff and appropriate action taken as a result of the actuary's recommendations. OPAC Rate and Rule division personnel perform preparatory, review and support services to the LIRC and to the actuarial staff.

**PROGRAM B – MARKET COMPLIANCE  
GENERAL INFORMATION**

**AUTOMOBILE INSURANCE COSTS AND FACTORS AFFECTING THEM  
LOUISIANA COMPARED TO NATIONWIDE**

<b>LOUISIANA RANKING</b>	<b>ITEM</b>	<b>COST</b>
<b>6<sup>TH</sup></b>	<b>Combined Average Premium</b>	<b>\$962.07</b>
<b>10<sup>TH</sup></b>	<b>Liability Average Premium</b>	<b>\$520.94</b>
<b>6<sup>TH</sup></b>	<b>Collision Average Premium</b>	<b>\$284.44</b>
<b>14<sup>TH</sup></b>	<b>Comprehensive Average Premium</b>	<b>\$156.69</b>
<b>9<sup>TH</sup></b>	<b>Average Repair Cost per Claim</b>	<b>\$1,979.41</b>
<b>11<sup>TH</sup></b>	<b>Vehicle Thefts per 1000 Vehicles</b>	<b>682</b>
<b>14<sup>TH</sup></b>	<b>Costs of Hospital Inpatient Days</b>	<b>\$3,361,008</b>
<b>7<sup>TH</sup></b>	<b>Costs of Outpatient Visits</b>	<b>\$10,207,145</b>
<b>18<sup>TH</sup></b>	<b>Hospital Expenses</b>	<b>\$5,814,898,610</b>

**Combined premium would be the combination of liability, collision and comprehensive premiums**

**Liability coverages pay for the damage or injury you cause to someone else**

**Collision coverage pays for damage to your vehicle as a result of a collision**

**Comprehensive coverage pays for damage to your vehicle from causes other than collision (such as broken glass, damage by animals, etc.)**

**04-165 DEPARTMENT OF INSURANCE/COMMISSIONER OF INSURANCE  
PROGRAM B – MARKET COMPLIANCE  
OFFICE OF HEALTH INSURANCE  
QUALITY MANAGEMENT DIVISION – CONSUMER COMPLAINTS**

**GOAL I** Regulate the insurance industry in the state (licensing of producers and insurers; serve as advocate for insurance consumers) by enforcing existing laws fairly and consistently, and propose new laws as needed

**OBJECTIVE I.11 KEY -** Through the Quality Management Division of the Office of Health Insurance, to investigate to conclusion consumer health-insurance related complaints.

Louisiana Vision 2020 Link: Objective I.8 To improve the efficiency and accountability of government agencies

Children’s Budget Link: N/A

Human Resources Policies Beneficial to Women and Children: N/A

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, Others) – N/A

**Strategic Objectives:**

**I.11.1** Increase the depth of experience and training among personnel through increased training and monitoring of newer examiners by more experienced examiners.

**Performance Indicators:**

<b>987</b>	<b>KEY</b>	<b>Average number of days to investigate to conclusion a consumer health complaint</b>
<b>090</b>	<b>KEY</b>	<b>Amount of claim payments/premium refunds recovered for health coverage complainants</b>
<b>6424</b>	<b>GENERAL</b>	<b>Number of health complaints received</b>
<b>6425</b>	<b>GENERAL</b>	<b>Number of health complaint investigations concluded</b>

**PROGRAM B- - MARKET COMPLIANCE**  
**CONSUMER COMPLAINTS continued**

**Explanatory Note:** Health complaints are handled by three separate divisions of the Office of Health Insurance – Quality Management handles complaints involving major medical and excess/stop loss insurance and compliance with state and federal HIPAA laws; Supplemental Health Plans handles complaints involving limited benefit insurance plans and federal Medicare programs; the Quality Assurance division handles complaints involving compliance with state and federal laws governing medical necessity, appeals and prompt payment of major medical insurance claims. A breakdown of the number of each type of complaint handled will be provided as a footnote each year in the operational plan. A consumer complaint may or may not result in a claim payment or premium refund from the insurer or producer, depending on the facts of the matter giving rise to the complaint. Complaints are investigated to determine whether the insurer or producer performed in compliance with the law and the terms and conditions of the policy. A consumer may expect payment for an item not covered by the policy or may not be happy with the way the claim was handled, but the company or producer may have acted properly and within the law.

**04-165 DEPARTMENT OF INSURANCE/COMMISSIONER OF INSURANCE  
PROGRAM B – MARKET COMPLIANCE  
OFFICE OF HEALTH INSURANCE  
FORMS REVIEW/APPROVAL**

**GOAL I** Regulate the insurance industry in the state (licensing of producers and insurers; serve as advocate for insurance consumers) by enforcing existing laws fairly and consistently, and propose new laws as needed

**OBJECTIVE I.9 KEY -** Through the Forms Review division within the Office of Health Insurance, to pre-approve or disapprove all contract forms rates and advertising for use by consumers

Louisiana Vision 2020 Link: Objective I.8 To improve the efficiency and accountability of government agencies

Children's Budget Link: N/A

Human Resources Policies Beneficial to Women and Children: N/A

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, Others) – N/A

**Strategic Objectives:**

**I.12.1** Increase the expertise and knowledge among personnel through increased training and monitoring of newer examiners by more experienced examiners.

**Performance Indicators:**

<b>12990</b>	<b>KEY</b>	<b>Average number of days to process Health contract/policy forms</b>
<b>985</b>	<b>KEY</b>	<b>Percentage of Health contract/policy forms approved</b>
<b>986</b>	<b>GENERAL</b>	<b>Number of health insurance contract/policy forms, advertising and rates received</b>
<b>10212</b>	<b>GENERAL</b>	<b>Number of health insurance contract/policy forms, advertising and rates processed</b>
<b>NEW</b>	<b>GENERAL</b>	<b>Number of health insurance contract/policy forms, advertising and rates disapproved</b>
<b>NEW</b>	<b>GENERAL</b>	<b>Number of health insurance contract/policy forms, advertising and rates withdrawn</b>

**Explanatory Notes:** All contract/policy forms must be reviewed and approved by DOI before they can be offered for sale in the state. Delays in the process can result in consumers not having access to new products and to insurers being able to sell new products. Efficiency in this area is strong support for the department's overall effort to attract insurers to the state. New laws, rules and regulations, as well as the policy form matrix and better-trained personnel have all contributed to improvements in this area. The Office of Health approves rates and advertising in addition to contract/policy forms.

**04-165 DEPARTMENT OF INSURANCE/COMMISSIONER OF INSURANCE  
PROGRAM B – MARKET COMPLIANCE  
OFFICE OF HEALTH INSURANCE  
MEDICAL NECESSITY REVIEW ORGANIZATION (MNRO)**

**GOAL I   Regulate the insurance industry in the state (licensing of producers and insurers; serve as advocate for insurance consumers) by enforcing existing laws fairly and consistently, and propose new laws as needed**

**OBJECTIVE I.13 KEY - through the Quality Assurance Division, Medical Necessity Review Organization (MNRO) section, to review licensing applications and filings (new and renewal) for MNROs and perform statutory examinations.**

Louisiana Vision 2020 Link: Objective I.8 To improve the efficiency and accountability of government agencies

Children’s Budget Link: N/A

Human Resources Policies Beneficial to Women and Children: N/A

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, Others) – N/A

**Strategic Objectives:**

**I.13.1       Increase the expertise and knowledge among personnel through increased training and monitoring of newer examiners by more experienced examiners.**

**Performance Indicators:**

<b>14038</b>	<b>KEY</b>	<b>Number of MNROs to be examined per statutory schedule (desk examinations)</b>
<b>14044</b>	<b>KEY</b>	<b>Number of MNROs examined</b>
<b>12134</b>	<b>GENERAL</b>	<b>Number of MNRO filings and applications – new and renewal – received</b>
<b>12142</b>	<b>GENERAL</b>	<b>Number of MNRO filings and applications – new and renewal – processed</b>

**Explanatory Notes:   MNROs must, by statute, be examined no less frequently than once every three years, beginning in fiscal 2003/04. Complaints or other indications of problems may lead to examination of an MNRO earlier than its scheduled examination date.**

**04-165 DEPARTMENT OF INSURANCE/COMMISSIONER OF INSURANCE  
PROGRAM B – MARKET COMPLIANCE  
OFFICE OF HEALTH INSURANCE  
SENIOR HEALTH INSURANCE INFORMATION PROGRAM (SHIIP)**

**GOAL I** Regulate the insurance industry in the state (licensing of producers and insurers; serve as advocate for insurance consumers) by enforcing existing laws fairly and consistently, and propose new laws as needed

**OBJECTIVE I.4 SUPPORTING** - Through the Senior Health Insurance Information Program (SHIIP) to provide services and information about insurance and related subjects – Medicare, for example, to senior citizens throughout the state.

Louisiana Vision 2020 Link: Objective I.8 To improve the efficiency and accountability of government agencies

Children's Budget Link: N/A

Human Resources Policies Beneficial to Women and Children: N/A

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, Others) – N/A

**Strategic Objectives:**

**I.14.1** Increase the awareness of the program through presentations at fairs, meetings, etc. across the state and through home site visits.

**Performance Indicators:**

<b>995</b>	<b>SUPPORTING</b>	<b>Estimated savings to counseled senior health clients</b>
<b>985</b>	<b>SUPPORTING</b>	<b>Number of seniors receiving services (telephone, home site, at fairs, group presentations, etc.)</b>
<b>999</b>	<b>GENERAL</b>	<b>Number of group presentations provided</b>
<b>996</b>	<b>GENERAL</b>	<b>Number in attendance at group presentations</b>
<b>997</b>	<b>GENERAL</b>	<b>Number of senior health volunteer counselor training sessions conducted</b>
<b>1000</b>	<b>GENEARL</b>	<b>Number of senior health publications distributed</b>

**Explanatory Notes:** Savings to seniors are calculated using a formula developed by the Federal Health Care Financing Administration (HCFA). Savings may result when assistance leads to the percentage not covered by Medicare being counted, or a client learning that he/she is eligible for other programs that can lead to Medicaid paying deductible, premiums or co-



**PROGRAM B – MARKET COMPLIANCE**  
**SENIOR HEALTH INSURANCE INFORMATION PROGRAM (SHIIP) continued**

payments, or in determining the best supplemental or Medicare HMO coverage for the client's needs. Savings, if any, depend upon the situation of the individual senior being counseled.

**PROGRAM B – MARKET COMPLIANCE  
GENERAL INFORMATION**

**PERSONS NOT COVERED BY HEALTH INSURANCE IN LOUISIANA 2000**

Item	LOUISIANA 2000 POPULATION 4,469,790	LOUISIANA 2001 POPULATION 4,469,430
Percent of population not covered by health insurance	19.1%	19.3%
Number of persons not covered by health insurance	810,000	845,000
Percent of children not covered by health insurance	15.7%	12.7%
Percentage of population covered by government health insurance	30.9%	31%
State Children's Health Insurance Program (LACHIP) enrollment		74,407
Medicaid cost per recipient		\$5,218
Medicaid expenditures*		4,309,670,892
Percentage of Louisiana population covered by military health insurance	4.4%	6%
Percentage of population enrolled in Medicaid	16.2%	13.5%
Percentage of population covered by private health insurance	62.7%	

\* Total Medicaid expenditures for the United States in 2001 - \$228,038,957,366

Source: Health Care State Rankings 2003 by Morgan Quitno Corp., Lawrence, Kansas

**ENROLLMENT IN HEALTH MAINTENANCE ORGANIZATIONS (HMOs) IN LOUISIANA - 2000 vs 2002**

	LOUISIANA 2000	LOUISIANA 2002
Number of enrollees in HMOs	695,583	626,780
Percentage of population enrolled in HMOs	15.6%	14%
Percentage of insured population enrolled in HMOs	20.3%	17.7%

**04-165 DEPARTMENT OF INSURANCE/COMMISSIONER OF INSURANCE  
PROGRAM B – MARKET COMPLIANCE  
OFFICE OF RECEIVERSHIPS**

**GOAL I** Regulate the insurance industry in the state (licensing of producers and insurers; serve as advocate for insurance consumers) by enforcing existing laws fairly and consistently, and propose new laws as needed

**OBJECTIVE I.15 KEY** - Through the Office of Receivership, to bring to court-approved closure all estates of companies in receivership at the beginning of FY 2001 by the end of FY 2008, and to bring to court-approved closure within 5 years of their being placed in receiverships, estates of all companies placed in receivership after July 1, 2001.

Louisiana Vision 2020 Link: Objective I.8 To improve the efficiency and accountability of government agencies

Children's Budget Link: N/A

Human Resources Policies Beneficial to Women and Children: N/A

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, Others) – N/A

**Strategic Objectives:**

**I.15.1** Manage the estates of companies in receivership through liquidation of assets and court-approved closure.

**Performance Indicators:**

<b>904</b>	<b>KEY</b>	Number of companies brought to final closure
<b>908</b>	<b>KEY</b>	Total recovery of assets from liquidated companies
<b>12273</b>	<b>GENERAL</b>	Number of companies in receivership at beginning of fiscal year
<b>904</b>	<b>GENERAL</b>	Number of companies brought to final, court-approved closure during fiscal year

**Explanatory Notes:** Recovered assets of companies in receivership go to the companies' creditors, two of which are the Louisiana Insurance Guaranty Association (LIGA) and the Louisiana Life and Health Insurance Guaranty Association (LHIGA). Neither the Department of Insurance nor the State General Fund receives any monies from the recovered assets of these companies. All final closures must be court-approved.